

11 December 2007

Robert Garnett, Chairman  
International Financial Reporting Interpretations Committee  
30 Cannon Street  
London EC4M 6XH  
United Kingdom

Email: [ifric@iasb.org](mailto:ifric@iasb.org)

Dear Mr. Garnett,

**Tentative agenda decision: IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* – Deposits on returnable containers**

Deloitte Touche Tohmatsu is pleased to respond to the IFRIC's publication in the November 2007 *IFRIC Update* of the tentative decision not to take onto the IFRIC's agenda a request for an Interpretation of IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* with respect to whether an obligation to refund deposits on returnable containers should be accounted for in accordance with IAS 39 *Financial Instruments: Recognition and Measurement*.

We support the IFRIC's decision not to take this item to the agenda. We concur with the assessment that the obligation is an exchange transaction of cash (the deposit) for the containers (non-financial asset) and therefore does not meet the definition of a financial instrument in accordance with IAS 32 *Financial Instruments: Presentation* and thus is not within the scope of IAS 39.

However, we believe that to avoid any confusion, the IFRIC should add a positive statement to the agenda decision that IAS 37 *does* apply to such transactions. Further, we believe that the agenda decision should specify that the decision only applies to the specific fact pattern submitted to the IFRIC. We do not believe the agenda decision should be applied by analogy to other fact patterns.

If you have any questions concerning our comments, please contact Ken Wild in London at +44 (0)20 7007 0907.

Sincerely,

A handwritten signature in black ink, appearing to read "Ken Wild", written over a horizontal line.

**Ken Wild**

**Global IFRS Leader**

cc: Tricia O'Malley, IFRIC Coordinator